

Appletix

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Appletix Inc.

Preliminary Executive Briefing

Appletix Mission

Appletix Inc. mission is a to allow *fear-free E-Commerce* experience by enabling the online *Web and Mobile Internet shoppers* to conduct complete business transactions with *any Internet shopping site*, while protecting and securing their personal and financial information form the shopping site and other 3rd parties.

Opportunity

E-Commerce is recognized today as *the* growth engine of the Internet economy, with M-Commerce (Mobile-commerce) identified as an accelerator to this trend.

Still, the majority of the Internet users find it too dangerous to buy through the Internet.

Some of the main reasons for their concern are:

- ◆ They do not trust the Internet in general.
- ◆ They do not trust the sites they want buy from to keep their privacy.
- ◆ They find it frustrating to re-enter their personal details, each time they buy, or register to a site/service.

The E-Commerce market uses many methods of payment like traditional Credit Cards, E-Wallets, Micro-payment solutions and more. This variety of different payment schemes makes the buying experience of the user non-intuitive, and intimidating.

If a safe and convenient solution will be offered, which will enable these users to make a safe buy, without the need of disclosing personal information or financial details to merchants, but still be able to buy even at infamous sites, Internet commerce will be boosted and a major barrier on buying freely over the Internet will be removed.

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Offering

Appletix builds and affiliates with a number of services, which are by-products of our technology or complimentary to it. These services include:

- ◆ Easy and safe online buying experience wherever the users choose to buy, without exposing details like credit card number or other private information.
- ◆ Anonymity option both while surfing and while shopping (i.e. while spending money for products or services).
- ◆ Mobile E-Commerce support over WAP, with the same level of ease, anonymity and confidentiality.
- ◆ A Single Sign-On mechanism that enables users to manage and automatically enter their private username/password based personal accounts.
- ◆ Automatic form filling capability with built in learning process, which adapts to new forms as they become available.
- ◆ Smart personalization services like On-the-Fly translation of foreign language sites to the user's preferred language.
- ◆ Collaborative communication and information sharing based on user database, surfing location and other environmental parameters.

Assets

□ The Entrepreneurs

A group of three young highly motivated top professionals. All of them previously held key R&D, Sells and Marketing positions in leading multi national Hi-Tech corporations

□ Competitive advantage

- ◆ Unique core technology & innovative business model.
- ◆ The ability to use the technology in virtually every site without a-priori business engagement.
- ◆ Users are offered anonymity throughout the whole process.
- ◆ Business model and technology that are applicable to the Mobile commerce market and the WAP standard.
- ◆ Users has the ability to disclose information to the commerce site if they wish to do so.
- ◆ Pending patent for the business model and the technology.

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Appletix business Process Patent

Background

Appletix Inc. is focused on creating E-commerce technologies and services that are aimed to make life easier and safer for the average Internet surfer/shopper, thus contributing to the development of the new wave of Internet economy.

The first system Appletix Inc. is developing is comprised of both, business model, and a new technology, which are brand new and innovative to the existing market.

The business model described herein, deals with the idea of buy4me (Buy for me).

The idea, has raised from the fact that many people has a fear of giving their private information to E-business companies. The private information can be anything from giving an address, a name or a credit card number, to the fact that the E-Commerce site, collects information about the user, that the user doesn't even know, somebody knows about him, like buying habits, buying partners, personal preferences etc...

The buy4me mechanism, is aimed to provide the ability to buy over the Internet without the need to disclosure or provide, any personal detail.

Lets describe an example of a person buying at a retail shop. He enters to the shop, he selects the goods he want to buy, add them to his shopping cart, he enters the cashier, pays with cache money, receives a receipt, take the goods, and leave the store.

In the transaction described above, the retailer has no information what so ever about the customer. Still the customer has the receipt and can return and claim warranty, if needed, without exposing any personal detail. For many potential customers, the ability to stay anonymous, without leaving any track on what they have done, where they have been or what did they buy, will make them much more stimulated to buy goods over the internet, in places they never considered buying from in the past.

The goods that can be bought trough that mechanism may be anything, Soft-Goods (delivered instantly over the net) or hard goods (delivered by regular mail).

The idea is that Appletix Inc. is going to serve as a trusted 3rd party for the customer, and whenever the customer wants to buy something, the system will buy it for him, paying through Appletix Inc. credit card, or any other mechanism that Appletix Inc. and the specific site can work with like in micropayment based sites.

The whole buying process is going to be fully transparent to the customer who buys the goods, that means that the surfing experience will not change for the user.

The users will be absolutely sure, that the commerce site, will not be able to attach the specific user to any recognizing detail, unless the user wants to provide it, on his own free will.

The system will support any type of payment that exists over the Internet, starting with credit card information, through micropayment end ending with new innovative technologies that are yet to come.

Specific applications to this technology, may be buying at, book stores, magazines, information databases, sex sites, gambling sites, etc...

The system will support both residential users and corporate users.

Following is a detailed description of all the phases that has to do with the surfing experience of the user, and the process that occurred in the background.

The client software called Secure Private Agent (SPA), will not require a special download and installation process, but rather, a simple login process that will automatically load the SPA to the surfer browser.

A transaction that includes shipping to a specific address, and remain fully anonymous can be, for example, sending a present to a friend.

Based on the SPA technology, additional applications can be implemented, besides payments.

An automatic form filler system can be utilized, to save the user, the time and the effort needed, to fill personal forms, in specific sites, in case he wants to fill them.

Additional application can be a Single Sign On system, that will enable the user to register, and re-enter password protected site, with the hassle saving of remembering dozens of user names, passwords.

The user will have his personal account at Appletix Inc. the "convertible currency" that will be managed in the user account is going to be a special one for Appletix Inc. with the temporary name of VC (Virtual Credit).

First Setup of an Appletix account

This paragraph will describe the phases a new user has to pass in order to become a registered Appletix user.

A new Appletix user can register either through the web, by entering the URL of Appletix Inc and provide the needed information through a secure internet channel, or through a telephone channel or through a prepaid card that can be bought in "non-virtual" shops.

Following is a description of the 3 different ways to register:

1. Registration process

1.1. Registering through the Internet:

1. The user will enter the URL of Appletix.
2. In the site he will see the terms and conditions needed in order to become an Appletix member.
3. After agreeing with the T's & C's the user will be asked to provide some personal details, including his credit card number.
4. All the user details will be passed to Appletix via a secured channel and will be save inside a secured data base system.

1.2 Registering through the Internet with a pre-paid card

1. The user will enter the URL of Appletix.

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2. In the site, he will see the terms and conditions needed in order to become an Appletix member.
3. After agreeing with the T's & C's the user will be asked to insert the card number he bought, and optionally insert his credit card number. If the user refused to insert his credit card number he may remain unanimous to Appletix as well, and once the user will be allowed to perform the following:
 - a. Spend money to the limit his prepaid card contains.
 - b. Insert his credit card number and register as system well known user.

1.3 Registering through a telephone channel

1. The user is calling Appletix phone number.
2. A customer sales representative or an Interactive Voice Response (IVR) answers the customer, explains the T's & C's.
3. The user will verbally give his details (he can send it via fax as well) and he will be able to start buying with Appletix immediately.

Common phases after registration

1. After this phase, the user will have his personal account in Appletix, he will be given some personal information (LIKE USER NAME AND PASSWORD), and the right processes will take place to enable future authentication of the user the next time he logs in.
2. User can set up some financial rules for his/her transactions, once he is logged in to his account. Examples for such rules are:
 - 2.1 Buy X credits – the appropriate amount of \$\$ will be charged on the customer credit card and his account at Appletix Inc. will be increased by the equivalent amount of credits.
 - 2.2 Buy X credits whenever credits balance is less than Y credits – the appropriate amount of \$\$ will be charged on the customer credit card, and his account at Appletix Inc. will be increased by the equivalent amount of credits...
 - 2.3 Sell X credits – An equivalent \$\$ will be returned on the customer credit card, while changing the balance at the Appletix account.
 - 2.4 Sell X credits whenever credits balance is more than Y – An equivalent \$\$ will be returned on the customer credit card.

Buying Process

1. User is logged and authenticated through Appletix site.
2. Appletix Secure Private Agent (SPA) is mediating information between the user and the Internet it is possible to mediate everything or anything that can

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influence the ability of the site to collect info on the user (mediation can be for IP addresses, personal information, cookies).

3. The SPA is following the user's surfing path and potentially protects the user's privacy by acting as a gateway.
4. The user is shopping regularly in any shopping site accepting Credit-Cards (e.g. Visa) [Note that the business model can be expanded to other means of payment].
5. Once all goods are in the shopping cart, the user proceeds to the payment page of the site.
6. At this point, Appletix SPA can optionally fill in the user's details, such as standard delivery address, and the users will be asked by the SPA if he wants him to take over the transaction.
7. Instead of the user's Credit-Card number and other related details, either the user fills in some default Appletix values, or the SPA may do the same.
8. Once the user is authorising the details of the transaction by pressing a BUY or similar button, the SPA asks the user to verify the transaction and its value (e.g. by a pop-up window).
9. After the user approval, the SPA sends the appropriate user information, without the user's Credit-Card details, replacing it with Appletix Credit-Card information.

Users credit at Appletix will be checked in real time for every transactions the user if performing

Post-Processing

Pure Business Model

1. Users are registered in Appletix, identifying personal payment information (e.g. Credit-Card or Bank Account).
2. Users are assigned a credit limit.
3. When users desire to buy in the Internet, they log into Appletix site and assigned a Secure Private Agent (SPA), a software implementing the patent (see tech. patent).
4. The SPA is monitoring the users buying process.
5. The users select the products or services to purchase.

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6. When Credit-Card payment details are required, the users fill in some dummy Appletix payment information or let the SPA do it automatically.
7. The users' Credit-Card information is never sent to the shopping site.
8. All payments to the sites are done by Appletix.
9. Appletix debits the users' credit on behalf of their purchases, and is the only party to have the access to the user personal details.
10. The Internet site are not aware to the fact that Appletix is involved in the transaction on behalf of the users, except for the payment details.

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